

**Minutes of the Audit Committee held on Wednesday 11 March 2009 at 5.15 pm in the Principal's Room, Science Park Campus, Cambridge.**

**MINUTES**

**Present**

Raymond Tait (Chair)  
 Amanda Last  
 Vernice Key  
 Ros Francis

**In attendance**

Chris Lang  
 Charlotte Skinner  
 Paul Foreman (PricewaterhouseCoopers LLP)  
 Elaine Olson (MacIntyre Hudson LLP)

**Clerk**

Julia Kennedy

<b>Section 1: Matters that are Confidential</b>		<b>Action</b>	<b>By</b>
	There were no confidential matters that the Committee wished to discuss with the Auditors.		

Section 2: General			Action	By
2.1	Apologies for absence	Apologies were received from Bill Lumsden (KPMG LLP).		
2.2	Minutes of the meeting held on 5 November 2008	The Minutes were agreed to be a true record and signed by the Chair.	Clerk	
2.3	Matters arising from the Minutes	There were no matters arising.		
2.4	Declaration of Interest	There were no declarations of interest.		
Section 3: Matters for Decision			Action	By
3.1	<b>AUD/10/08-9</b> Appointment of External Audit Services for a Five-year Period, 2008/9 to 2012/13	<p><i>This item was taken after item 4.1 after the Auditors left the meeting.</i></p> <p>The Chair explained that the selection panel, which he had chaired, met that afternoon with the four short-listed suppliers. The selection panel included Chris Lang, Charlotte Skinner, and Noel Cassidy, Procurement Officer. The short-listed firms had been selected on the basis of agreed criteria from nine responses to the tender document.</p> <p>The selection panel considered the value of a change in external audit provision, and the benefit of a “fresh pair of eyes” with the potential to increase the added value provided by the auditors.</p> <p>A preferred supplier was recommended to the Committee. The selection panel considered that firm has the potential to add value through its advisory services and has the resources the respond, in a flexible the way, to the needs of the College.</p>		

		<p>Governors asked about—</p> <ul style="list-style-type: none"> <li>• the evaluation criteria and the weighting of each</li> <li>• the strengths of the preferred supplier</li> <li>• the impact of the rapidly changing funding environment</li> <li>• the process of appointment and next steps.</li> </ul> <p>The Committee <b>recommended</b>, subject to selection panel’s due diligence, the preferred supplier to the Corporation.</p>		
<p><b>3.2</b></p>	<p><b>AUD/11/08-9</b> Internal Audit Reports 2008/9:</p> <ul style="list-style-type: none"> <li>○ Cleaning and Security</li> <li>○ Train to Gain</li> <li>○ Strategic and Medium Term Planning</li> <li>○ Key Controls</li> </ul>	<p><u>Cleaning and Security</u> Moderate assurance was provided. This audit examined the arrangements that the College has in place for managing the two contracts, which are additional to in-house services. Benchmarking was undertaken in relation to the costs of the service, and Governors noted that the services provided were in some cases lower cost than the benchmarks.</p> <p>Governors asked about the ratings in the Management’s self assessment of the service provided [Appendix 4] and Chris Lang provided additional information on both cleaning and security, and specifically on access control.</p> <p><u>Train to Gain</u> Moderate assurance was provided. This is a significant area of College activity, given the importance of learner responsive funding and the change from consortium delivery. Train to Gain is a key LSC initiative and a core part of its drive to make adult education responsive to learners. The audit focussed on the overall management arrangements and identified the need to formalise some of those arrangements. Auditors commented on CRC’s successful performance against targets.</p> <p><u>Strategic and Medium Term Planning</u> High assurance was provided. This review looked at the College’s planning for the longer term and the links with curriculum, HR, technology etc – and the extent to which LSC priorities and other environmental factors are taken into account.</p>		

		<p><u>Key Controls</u> Moderate assurance was provided. The audit examined a range of controls and identified some actionable points at a secondary or tertiary level that are low risk. Governors noted the improvements and the strong expectations that “high assurance” will be achieved next year.</p> <p>The Committee <b>received</b> and <b>noted</b> the four internal audit reports.</p>		
3.3	AUD/12/08-9 Audit Committee Terms of Reference	<p>It is good practice to review the terms of reference on an annual basis. On this occasion, no amendment to the terms of reference was recommended. There is a potential for change next year to reflect the changes in LSC funding and other external factors.</p> <p>The Committee <b>recommended</b> the Terms of Reference to the Corporation without amendment.</p>	Clerk	
<b>Section 4: Matters for Information</b>			<b>Action</b>	<b>By</b>
4.1	AUD/13/08-9 Progress Report on Actions Arising from Internal Audit Reports	<p>This report provides a summary of progress on actions arising from the internal audits from the years 2002/03 to 2007/08, together with details of the recommendations.</p> <p>Charlotte Skinner described the progress made. She had worked with Paul Foreman to identify where changes and developments at the College affected impacted on recommendations from the older reports. Chris Lang provided some examples, and Governors noted that some recommendations were affected by the changes to the payroll and financial systems.</p> <p>Governors wanted to compare outstanding actions with the audit plan for 2009/10, and this will be provided to the summer term meeting if the audit plan is available by that date. Governors also made links to the internal audit report on Key Controls, and the Committee discussed the checking procedure on the payroll.</p> <p>The Committee <b>received</b> the report, <b>noted</b> the progress made and <b>noted</b> that a revised report will be brought to the next meeting.</p>	CS	

		<p>The Committee also <b>noted</b> that in cases where recommendations are outstanding and are affected by external changes or changes to systems, the recommendations should be reviewed.</p> <p><i>The Auditors, Paul Foreman and Elaine Olson, left at 6.35 pm after this item and before the discussion on item 3.1.</i></p>		
<b>Section 5</b>			<b>Action</b>	<b>By</b>
<b>5.1</b>	<b>Self Assessment of Governors' Performance</b>	<p>In order to evaluate the meeting and identify any changes necessary to maintain the effectiveness of the Committee, the Chair asked the following questions—</p> <ul style="list-style-type: none"> <li>• Were the agenda and papers clearly presented?</li> <li>• Was there time for sufficient debate and critical review of each item?</li> <li>• Do members consider that they were able to participate fully?</li> </ul> <p>Governors provided a positive response to each question.</p>		
<b>5.2</b>	<b>Any other business</b>	There was no other business.		
<b>5.3</b>	<b>Date of next meeting</b>	The date of the next meeting was agreed as 17 June 2009.		
<p>The meeting closed at 7.10 pm.</p> <p>Julia Kennedy Clerk to the Corporation</p> <p>Signed .....Chair</p> <p>Date.....</p>				